

17 December 1987

PRESS STATEMENT OF WILLIAM H. WEBSTER REGARDING
THE IRAN-CONTRA MATTER

CIA Director William H. Webster announced today that he has completed his study of a report prepared by a Special Counsel appointed by him to review the role of the Agency and Agency personnel in the Iran-Contra matter. Director Webster has disciplined those employees found to have engaged in improper activities. Those actions included dismissals, demotions, and letters of reprimand.

Webster has also initiated actions aimed at strengthening the organizational structure of the Agency. These actions are described in a section of the Report dealing with remedial measures taken by the Agency since the Iran-Contra matter became public.

In particular, the Report describes steps taken by Director Webster to strengthen the function and effectiveness of the CIA's Office of the Inspector General (IG). These measures include steps to ensure that the IG's inspection staff is drawn from a cross-section of people within the Agency. Furthermore, assignment to the IG Staff will become an important career development assignment enroute to more senior positions in the Agency. The size of the IG's investigative staff will be increased, and the training and support provided to that staff will be improved.

Guidelines have been drafted to govern the testimony of future Agency witnesses when appearing before congressional committees, briefing individual

congressional members or their staff, or providing written testimony to Congress. The guidelines balance the protection of sources and methods with the need to be candid and complete in all Agency dealings with Congress.

Director Webster also has initiated actions to strengthen senior management review of covert activities. The covert action review process will be institutionalized in Agency headquarters regulations. The Agency's senior management must meet to review all proposed Findings and related documents that are to be forwarded to the National Security Council. Senior management also conducts a semi-annual review of each covert action program.

Other actions taken by Director Webster include the issuance of guidelines for interagency intelligence production intended to foster an environment for the maximum objectivity of intelligence assessments and to help insulate intelligence analysis from political influence.

The Special Counsel commenced his review September 1, 1987. In compiling the Report, the Special Counsel reviewed the findings of the Tower Commission, the Senate Select Committee on Intelligence, the Congressional Iran-Contra Committees, and relevant reports of the CIA Inspector General. The Special Counsel did not have access to any materials or information developed during the course of the investigation being conducted by Independent Counsel Lawrence Walsh.

The Report of the Special Counsel, which is classified, has been furnished in its entirety to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence. A summary of the Report's conclusions regarding facts and information already made public by the Tower Commission and the Iran-Contra Committees is attached.

SUMMARY OF CONCLUSIONS

1. The Agency's first involvement in the Iranian initiative occurred in the fall of 1985 when the Agency increased intelligence collection on certain Iranian targets at the request of the NSC Staff. This assistance did not violate any statutory provisions or Agency regulations.

2. In November 1985, an Agency proprietary transported HAWK missiles from Israel to Iran. Agency assistance in connection with this flight was in violation of an Agency regulation that requires DCI approval in advance of assistance to the White House staff. Moreover, this assistance should not have been undertaken in the absence of a Presidential Finding.

3. After a Presidential Finding was signed, the Agency provided logistical and other assistance in connection with the transfer of TOW missiles and HAWK missile spare parts to Iran and in connection with a number of meetings between U.S. Government officials and representatives of Iran. This assistance was appropriately authorized by the Finding. The Finding instructed that the Agency not notify Congress of these activities.

4. Agency officers heard references to a possible diversion of funds to the Contras as early as January 1986. These references were thought to be implausible. During the summer of 1986, these officers were also aware of Iranian complaints that they had been overcharged for the missiles. These complaints raised concerns that the Iranians might cancel the operation. In the fall of 1986, further information came to the attention of the officers working on the initiative. This information was conveyed to the National

Security Advisor. The evidence was not so strong that anyone concluded a diversion had occurred.

5. Two Agency field managers engaged in activities between September 1985 and February 1987 that violated Agency policy or legal guidance restricting assistance to the Contras. The improper activities included assistance in connection with private benefactor resupply flights, transporting Contra supplies and equipment in Agency helicopters, and other logistical assistance undertaken at a time when such assistance was prohibited. One Agency field manager authorized his subordinates to engage in these improper activities. The other field manager undertook the activities on his own. There is no evidence in the record, however, that any improper or illegal activities were engaged in by the overwhelming majority of Agency employees involved in the Contra program. Moreover, CIA Headquarters was not aware that these activities were taking place.

6. Two Agency HQS managers testified to Congress in a manner that was not candid or forthcoming with respect to their knowledge of assistance to the Contras.

7. Five Agency employees were not cooperative with or were not candid in providing information during an Inspector General's investigation of these matters.

8. Despite the complexities caused by seven different pieces of legislation dealing with Contra assistance during a five year period, HQS guidance with respect to these statutory restrictions was generally clear and often more conservative than required by the applicable statutes.

In announcing his decisions yesterday to Agency employees, Director Webster stated:

This has been a testing chapter in the history of the CIA. A number of people who engaged in activities determined to be improper have been disciplined. On the other hand, I am proud to note that evidence in the record suggests that the overwhelming majority of our employees acted in a professional manner within the policy and legal guidance with which they were provided. I hope that the actions I have announced today will put this chapter behind us, will strengthen us as an organization and, with lessons learned, will enable us to continue to conduct our important mission for the American people.